



MEMORANDUM

TO: Mayor and Council Members
Marc Ott, City Manager

FROM: Robert Goode *RG*
Interim General Manager

DATE: March 12, 2010

SUBJECT: Critical Business Need for Repair of Mueller Energy Center Gas Turbine

ACTION:

As detailed below, and in accordance with City Council approved purchasing procedures, I am designating the removal, transportation and repair of the gas turbine located at the Mueller Energy Center as a Critical Business Need of Austin Energy. This unit suffered a major failure which has rendered it inoperable. In accordance with Austin Energy's Commodities Services Agreement and the associated Contingency Plan for Dell Children's Medical Center of Central Texas, it is critical that AE authorize this service as soon as possible.

BACKGROUND:

The Mueller Energy Center gas turbine suffered a major failure on Saturday, January 30, 2010. Electrical services to The Dell Children's Medical Center were not disrupted by this incident as the Mueller Energy Center is backed-up by dual substation feeds.

The turbine manufacturer visited the site and used a borescope to determine that the failure was in the combustion or turbine section of the unit. The turbine has been removed and shipped to the manufacturer's facility to determine the root cause of the failure and thereby develop a firm repair price. The total cost of \$278,993.51 has now been established to cover removal, transportation, repair parts and labor to return the turbine into service.

Austin Energy plans to bring this item forward for ratification by the City Council in the next several weeks. Please let me know if you have any questions. I can be reached at 322-6157.

Robert Goode
Interim General Manager